



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

ELIZABETH HERTEL
DIRECTOR

IV-D MEMORANDUM 2022-017

TO: All IV-D Staff

FROM: Erin P. Frisch, Director
Office of Child Support (OCS)

DATE: December 5, 2022

SUBJECT: Increase to the Client Participation Payment (CPP) Beginning in
January 2023

ACTION DUE: None

POLICY EFFECTIVE DATE: January 1, 2023

PURPOSE:

This IV-D Memorandum discusses the State of Michigan's increase to the CPP (also known as the "pass-through payment"). Beginning in January 2023, OCS will pass through the full amount of current child support collections to families that are receiving Family Independence Program (FIP) cash assistance.¹

OCS has revised policy in Section 5.40, "Public Assistance Impacts: Unreimbursed Grant, Linking, and Pass-Through (Client Participation Payment)," of the *Michigan IV-D Child Support Manual* to reflect the increase to the CPP amount.

OCS has also made changes to Exhibit 5.40E1, IV-D/IV-A Translation and Collections Matrix, to reflect the increase to the CPP amount.

This memorandum also announces a one-time *Client Participation Payment Letter* (OCS1400) that OCS will mail to custodial parties (CPs) to notify them about the pass-through of their current support while they are receiving FIP benefits. This letter will be mailed with the Child Support 22.4 Release on December 9, 2022.

UPDATE(S):

☒ Manual

☒ Form(s)

¹ The Michigan Department of Health and Human Services (MDHHS) will not consider pass-through as income when determining ongoing eligibility for FIP and Child Development and Care (CDC) assistance.

Finally, this IV-D Memorandum discusses additional strategies for communicating the increase in CPP to families that are eligible for pass-through payments.

Significant changes in content since the last publication of Section 5.40 and Exhibit 5.40E1 are indicated by a change bar in the right margin. Content that has been reorganized or removed is not identified with a change bar.

DISCUSSION:

A. Increase in the Client Participation Payment (CPP)

When families receive FIP assistance, MDHHS has historically retained all child support payments to reimburse the state and the federal government for Temporary Assistance for Needy Families (TANF)-funded benefits. Federal law² permits states to “pass through” all or a portion of current child support payments to families currently receiving FIP assistance.

On January 1, 2020, the State of Michigan began passing through up to \$100 for one child or up to \$200 for two or more children for families receiving FIP assistance.³ During fiscal years 2021 and 2022, Michigan passed through \$5,227,156 of current child support collections to families receiving FIP assistance.⁴

The MDHHS budget for fiscal year 2023 includes additional funding to pass through current child support collections for families receiving FIP assistance above the \$100/\$200 amounts.⁵ By increasing the CPP, more child support will be given to families receiving FIP; it will not be used to reimburse FIP expenditures. The increase in CPP may also:

- Encourage parents to pay child support because more money will be sent directly to the family;
- Encourage healthy relationships between parents and their children; and
- Increase family income that may be spent in Michigan communities.

Beginning on January 1, 2023, MDHHS will pass through support payments to families for the full amount of *current* support paid in the month it is due.⁶ The

² Section 457(a)(6)(B)(i)-(ii) of the Social Security Act

³ Ref: [IV-D Memorandum 2019-023, Reinstatement of the Client Participation Payment \(CPP\) Beginning in January 2020](#).

⁴ Ref: Table P-30, “Total Collections Passed Through for Five Consecutive Fiscal Years,” in the federal Office of Child Support Enforcement (OCSE) [FY 2021 Preliminary Data Report](#). Data in this report is from the OCSE *Quarterly Collection Report* (OCSE-34).

⁵ The MDHHS budget includes funding to cover MDHHS program expenditures that would have otherwise been covered by assigned child support collections paid to the state.

⁶ If the non-custodial parent (NCP) does not make a payment in the month the obligation is due, the CP will not receive a CPP in that month. The missed payment will be assigned to the permanently assigned arrears (PAA) category. Ref: [Section 5.40 of the Michigan IV-D Child Support Manual](#) for more information on how MiCSES processes the CPP.

Michigan State Disbursement Unit (MiSDU) will issue the pass-through payment to the CP when the NCP makes his/her current support payment.

The Michigan Child Support Enforcement System (MiCSES) will continue to pass through support payments to the CP for the following obligation debt types paid by the NCP in the month they are due:

- Child Care (CC);
- Child Support (CS);
- Payee Bonus (PB); and
- Spousal Support (SS).

B. Policy Updates

1. Section 5.40, “Public Assistance Impacts: Unreimbursed Grant, Linking, and Pass-Through (Client Participation Payment)”

OCS has updated Subsection 7 of Section 5.40 to explain the following:

- Starting January 1, 2023, the state will pass through the full amount of the collection received for the current month’s obligation regardless of the number of IV-D cases or payers a CP has for the children on the family’s FIP case;
- The CPP amount is based on the current month’s support obligation; and
- The assigned Medical Support – Client (MS) debt type is not eligible for pass-through to the CP.

OCS also removed examples related to the \$100/\$200 amounts because they no longer apply.

2. Exhibit 5.40E1: IV-D/IV-A Translation and Collections Matrix

OCS has revised this exhibit with an updated description of the CPP. It states that the current month’s child support payment that is normally sent to the state as a reimbursement for FIP assistance is instead sent to the FIP-recipient family. The pass-through payment amount is the total of current support paid in a month.

C. Communication of the CPP Increase

1. Press Release

OCS staff worked with MDHHS Communications on a press release to announce that Michigan child support recipients who are actively receiving FIP will receive the full amount of their current child support payments *and* their FIP assistance payments starting in January 2023. It is unclear if or when the press release may be distributed.

2. *Client Participation Payment Letter* (OCS1400) and Questions and Answers Regarding CPP

On December 9, 2022, OCS will send the OCS1400 by U.S. mail to child support recipients who meet the following criteria:⁷

- They currently receive FIP; and
- The NCP has made a current child support payment in the past six months.

OCS is sending a one-time letter to this selected group of CPs receiving FIP because this is the population of parents most likely to receive a CPP or to have an increase in their CPP. MiCSES will generate the OCS1400 and mail it to approximately 2,000 child support recipients. The letter explains eligibility criteria and informs CPs they may receive a pass-through payment. The back of the letter includes questions and answers about CPP. IV-D workers can view or print the letter from the *Historical Reprints* (FHST) screen in MiCSES.⁸

OCS sought input from the OCS Community Advisory Council while drafting the letter.⁹ OCS incorporated several of the Council's suggested improvements into the letter.

OCS added text at the end of the letter to inform CPs that they can find Spanish and Arabic versions of the letter at www.michigan.gov/childsupport under "News and Special Topics" at the bottom of the web page.

3. Public Websites and Social Media

OCS will update CPP questions and answers on the MDHHS public website, on social media platforms, and in the Frequently Asked Questions (FAQs) section of the MiChildSupport website on or after December 9, 2022.

4. IV-D Staff Communication

After OCS mails the *Client Participation Payment Letter*, OCS will send local offices an email notification informing them that a list of the CPs who will receive the letter is available in the mi-support Document Distribution Center.

⁷ OCS will use MiCSES data to identify CPs whom OCS believes may qualify for CPP in January 2023.

⁸ Ref: [MiCSES Screen Description: FHST – Historical Reprints](#).

⁹ Ref: [IV-D Memorandum 2021-007, Update on the OCS Community Advisory Council and the New Diversity, Equity, and Inclusion \(DEI\) Page on mi-support](#), for more information about the Council and incorporating the Council into the OCS policy review process.

5. OCS and MDHHS Publications

OCS will include CPP information in *Understanding Child Support: A Handbook for Parents* (DHS-Pub-748 and OCSPAMP)¹⁰ with the Child Support 23.0.1 Release on January 13, 2023.

OCS will work with MDHHS to include CPP information in the *MDHHS Assistance Application Booklet* in a future revision.

NECESSARY ACTION:

Review Section 5.40 of the *Michigan IV-D Child Support Manual*. For those maintaining a hard copy of the manual, print the manual section and Exhibit 5.40E1 and add them to the manual. Discard the previous versions of Section 5.40 (December 23, 2019) and Exhibit 5.40E1 (Rev. 12/19).

REVIEW PARTICIPANTS:

Financials Work Improvement Team
Program Leadership Group

CONTACT PERSON:

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CC:

None

SUPPORTING REFERENCES:

Federal
Section 457(a)(6)(B)(i)-(ii) of the Social Security Act

State
None

ATTACHMENTS:

Section 5.40:	Public Assistance Impacts: Unreimbursed Grant, Linking, and Pass-Through
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¹⁰ The revised OCSPAMP will be available in January 2023; OCS will announce the availability of the DHS-Pub-748 in a future communication.

Exhibit 5.40E1: IV-D/IV-A Translation and Collections Matrix

OCS1400: *Client Participation Payment Letter*

EPF/JLA